

## SENATE BILL No. 564

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### DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-2.5-3-7; IC 6-3.1-27-10; IC 6-6-2.1-207.

**Synopsis:** Taxation of diesel and biodiesel. Provides that a retail merchant may verify an exempt sale of tangible personal property used or consumed in providing public transportation by obtaining certain information from the purchaser. Increases the total amount of the blended biodiesel income tax credit that may be awarded by the economic development corporation from \$1,000,000 to \$2,000,000. Exempts farm vehicles from the special fuel tax.

**Effective:** January 1, 2007 (retroactive); July 1, 2007.

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January 23, 2007, read first time and referred to Committee on Tax and Fiscal Policy.

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Introduced

First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

## SENATE BILL No. 564

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

1       SECTION 1. IC 6-2.5-3-7 IS AMENDED TO READ AS  
2       FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. (a) A person who  
3       acquires tangible personal property from a retail merchant for delivery  
4       in Indiana is presumed to have acquired the property for storage, use,  
5       or consumption in Indiana. **However, unless** the person or the retail  
6       merchant can produce evidence to rebut that presumption.

7       (b) A retail merchant is not required to produce evidence of  
8       nontaxability under subsection (a) if the retail merchant receives from  
9       the person who acquired the property an exemption certificate which  
10      certifies, in the form prescribed by the department, that the acquisition  
11      is exempt from the use tax.

12      (c) **A retail merchant who sells tangible personal property to a**  
13      **person who purchases the tangible personal property for use or**  
14      **consumption in providing public transportation under**  
15      **IC 6-2.5-5-27 may verify the exemption by obtaining the person's:**

16           (1) name;

17           (2) address; and

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(3) motor carrier number, United States Department of Transportation number, or any other identifying number authorized by the department.

The person engaged in public transportation shall provide a signature to affirm under penalties of perjury the information provided to the retail merchant is correct and that the tangible personal property is being purchased for an exempt purpose.

SECTION 2. IC 6-3.1-27-10, AS AMENDED BY P.L.122-2006, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 10. (a) A taxpayer that:

(1) is a dealer; and

(2) distributes at retail blended biodiesel in a taxable year; is entitled to a credit against the taxpayer's state tax liability.

(b) The amount of the credit allowed under this section is the product of:

(1) one cent (\$0.01); multiplied by

(2) the total number of gallons of blended biodiesel distributed at retail by the taxpayer in a taxable year.

(c) The total amount of credits allowed under this section may not exceed ~~one~~ **two** million dollars (~~\$1,000,000~~) (**\$2,000,000**) for all taxpayers and all taxable years.

(d) A credit under this section may not be taken for blended biodiesel distributed at retail after December 31, 2010.

SECTION 3. IC 6-6-2.1-207 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 207. This chapter does not apply to trucks, trailers, or semitrailers and tractors that are qualified to be registered and used as farm trucks, farm trailers, or farm semitrailers and tractors and that are registered as such by the bureau of motor vehicles under IC 9-18 or under a similar law of another state.**

SECTION 4. [EFFECTIVE JANUARY 1, 2007 (RETROACTIVE)]

(a) As used in this SECTION, "department" refers to the department of state revenue.

(b) The general assembly recognizes that the department replaced form ST-135 with form ST-105, which requires additional information not required on form ST-135. Therefore, a retail merchant who previously sold tangible personal property to a person who used or consumed the tangible personal property in providing public transportation under IC 6-2.5-5-27 may verify the sale was exempt with information contained in form ST-135.

(c) A retail merchant that provides the department with the documentation described in subsection (b) may request:

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1 (1) a refund of gross retail tax plus any penalties and interest  
2 paid to the department; or

3 (2) that the department satisfy any outstanding gross retail  
4 tax liabilities, including any penalties and interest for tax  
5 liabilities;

6 for the tangible personal property used or consumed in providing  
7 public transportation.

8 SECTION 5. An emergency is declared for this act.

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